

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Date: August 10, 2018

To: Supervisor James "Luigi" Schmitt, Chair, Finance and Audit Committee

From: Scott Manske, Comptroller  
Kerry Mitchell, Chief Human Resources Officer  
Laurie Panella, Chief Information Officer

Subject: Informational Report on Enterprise Platform Modernization Project  
(Capital Project WO602)

**SUMMARY**

This is an information report on the status of Enterprise Platform Modernization Project (Capital Project WO602). This \$20 million-dollar project is Milwaukee County's (including Milwaukee County Transit System) implementation of Infor software to replace current Financial, Human Resources, and Payroll systems by the end of 2020. The project is proceeding according to the adopted plan and is currently on-time and within budget.

**BACKGROUND**

In January, March and September of 2016, as well as January, April, May, July, and December of 2017, we have submitted reports to the County Board on an initiative to replace two of the mission-critical, software systems within the County - the Finance and Human Resource Management systems. The Finance System, established in 1999, suffers from technical and functional limitations that put the County at risk. The Human Resource System has certain functional limitations, due to being mapped on County processes from 2007. A Capital project - WO602 Enterprise Platform Modernization - was created not only to address the technical risks but also to optimize the current business processes.

Through a competitive bidding process, Plante Moran was awarded a contract to begin the WO602-Enterprise Platform Modernization project. Since September 2015, they have worked with County Departments and Divisions to complete a Needs Assessment, which was reported to the Board in January 2016. The Needs Assessment focused on the County's core financial and HR operations as well as a technical review of the systems that support these functions.

That phase was followed by a Requirements Definition so that the County could identify what it wants for both HR and Financial-related systems, before receiving bids for a new system. All County departments were invited to participate in Requirements Definition and Proposal Evaluation activities and active participants included the offices of DAS, Transit, MCDOT, House of Corrections, Behavioral Health Division, Office of the Sheriff, Office of the Comptroller, Human Resources IMSD, Parks, DHHS, District Attorney, Medical Examiner, and Zoo. Individuals from each of these areas are currently participating on the project as Lead Subject Matter Experts.

Additionally, an Executive Steering Committee and working Project Steering Committee exist in oversight and management roles to ensure project controls, timelines, issues, and budgets are properly managed.

The next step was a Request for Proposal (RFP) development phase, so that the County could receive bids from financial and human resource software vendors. Working with Milwaukee County's Procurement Division, Plante Moran facilitated the RFP development, and a RFP #98160018 was released by Milwaukee County on August 10, 2016. The proposal due date was September 26, 2016.

The Project Steering Team reviewed the RFP responses and narrowed the list of finalists down to three vendors who were brought into demonstrate their product offering using a controlled and quality process.

Each vendor spent four full days demonstrating every script according to a predefined schedule. These scripts represented business processes that were not only compliant with County regulations, but written with future state best practices in mind across, financial, position management, and procurement process. Working with the Procurement Division, the sessions were managed so that no single vendor had a process advantage over another. Attendees included key users within each functional area who closely followed the sessions, taking notes and asking questions that furthered their understanding of a new solution. More than 200 County employees have participated in this process and provided input.

A vendor finalist was then to be selected based on the following ranked criteria:

1.	Functionality	40%
2.	Initial investment and ongoing cost	25%
3.	Implementation approach	20%
4.	Ongoing vendor support	05%
5.	Technical capabilities	05%
6.	Ability to deliver out of the box functionality	05%

A thorough due diligence assessment was completed by the Executive Steering Committee (ESC) with assistance from Plante Moran, and Infor was selected as a vendor finalist to replace the current legacy Financial and HR systems. Based on proposals and vendor demonstrations, due diligence documents, reference checks conducted and scores on evaluation criteria, the Executive Steering Committee determined Infor to be the clear winner of the proposal process.

Infor is one of the five largest software and solution providers in the world for both public and private sections. Infor will help the County adhere to best practice processes and improve efficiency and effectiveness within these operational areas.

Infor, in their proposal, partnered with three vendors (MHC Software, Inc., Emphasys Software; and N. Harris Software Corporation to provide the full suite of applications to meet the County's Financial and HR needs. The suite of 3<sup>rd</sup> party applications and their purpose are as follows:

Vendor	Application	Purpose
MHC Software, Inc.	Document Express	Forms Processing
N. Harris Computer Corporation	Novah	Cash Receipting
Emphasys Software	Sympro	Debt and Investment Management

In July 2017, the Finance and Audit Committee and County Board (File 17-507) authorized the ESC to negotiate with Infor and its partnering vendors and required that the ESC return to the Committee with the final negotiated contract(s) for review and approval.

In December, the Finance and Audit Committee and County Board authorized (File 17-736) the ESC to sign and enter into the following contract with Infor, Inc.; MHC Software, Inc.; Emphasys Software; and N. Harris Computer Corporation for the implementation and licensing of certain software and hardware to replace Milwaukee County's current legacy Financial and Human Resource (HR) Systems:

**Enterprise Resource Planning (ERP) Solution Implementation:**

Vendor	Contract	Term	Total Fees
Infor, Inc. *	Exhibit 4: Software Services Agreement	Execution date till implementation of ERP Solution is complete	N.A.
	Exhibit 2: Services Work Order	Execution date till implementation of ERP Solution is complete	\$6,854,897.00

*(\*) Comcentia, LLC, a local, certified Targeted Business Enterprise, has been subcontracted by Infor to assist with the overall implementation of the new ERP solution. Comcentia's total participation is targeted for 10% of the total fees payable under this Software Services Agreement to Infor.*

**Hardware, Software License and Support Services:**

<b>Vendor</b>	<b>Contract</b>	<b>Term</b>	<b>One-Time Fees</b>	<b>Annual Fee</b>	<b>COLA</b>
Infor	Master Agreement	Execution date till termination	N.A.	N.A.	N.A.
	Exhibit 3: Subscription License and Services Agreement	Execution date till December 2022  (Option to thereafter renew for seven consecutive annual terms)	N.A.	Year 1: \$491,000.00 Year 2: \$888,550.00 Year 3-5: \$978,550.00  Annual subscription fees	Annual fee in-crease 3% for Years 6 to 10
	Exhibit 5: Software License Agreement	Execution date till termination	\$19,665.00  (payable in year 2)	N.A.	N.A.
	Exhibit 6: Software Support Agreement	Execution date till Dec 2022  (Option to thereafter renew for seven consecutive annual terms)	N.A.	Year 2: \$2,950.00  Annual maintenance fees	Annual fee increase Year 3 onwards 3%

<b>Vendor</b>	<b>Contract</b>	<b>Term</b>	<b>One-Time Fees</b>	<b>Annual Fee</b>	<b>COLA</b>
Infor	Exhibit 7: Hardware Agreement	Execution date till termination	\$127,822.50 (payable in Year 2)	Annual fee for advance equipment replacement \$19,173.37	Annual fee increase 3% for Years 6 to 10
MHC Software Inc.	Software License Agreement	Execution date till termination	\$82,435.00  One-time license fee	Year 1: \$17,538.30  Annual maintenance fees	Annual fee increase Year 2 onwards 3%
Emphasys Software	Software License and Service Agreement	Execution date till termination	\$83,000.00  One-time license fees	Year 1: \$16,600.00  Annual maintenance fees	Annual fee increase Year 2 onwards 3%
N. Harris Computer Corporation	Software License and Support Agreement	Execution date till termination	\$177,750.00  One-time license fees	Year 1: \$44,438.00  Annual maintenance fees	Annual fee increase Year 2 onwards 3%

The contracts included in this request (shown in table above) will require funding in Year 1 of \$7,934,319 and in Year 2 of \$972,433. These contracts also anticipate annual support, maintenance, and subscription license and services costs starting at \$1,084,699 in Year 3, which will require annual appropriation.

## PROJECT STATUS

After contracts were signed, the project team began phase 3 of this project for implementation. Detailed project planning activities with Plante Moran, our project management partner, started in December 2017. Milwaukee County and Plante Moran came together to draft the project charter, identify project management procedures used to govern the project, create the project organizational structure, and identify project risks and preliminary mitigation plans.

In parallel, Infor began to assemble its project management team and the first planning call with Infor occurred in January 2018. Many additional planning discussions were held over the next few months. As part of a detailed project plan review, the team agreed to target a finance and supply chain go-live in September 2019. To prevent unnecessary rework and make the County's finance setup more efficient, the ESC also agreed that the Core Human Resource functionality should deploy in parallel with the finance go-live.

Together with Infor and Plante Moran, Milwaukee County and Transit held a project kickoff meeting on March 8, 2018. Over 200 people were in attendance from departments across the County to review project vision, progress to date, organization structure, Infor deployment methodology, and project plan.

Infor conducted reviews of the County's as-is processes with its process owners and subject matter experts. Teams worked together to document current processes, discuss opportunities for improvement, and identify additional project risks.

To prepare County module leads and subject matter experts for the next phase in the project, Infor conducted detailed project team training. To date, 23 different training courses have been held to date with up to 14 hands-on attendees and additional departmental staff observing. Infor is currently directing design workshops to begin configuration of the "To-Be" processes in the new system.

As one of their contractual deliverables, Infor created a requirements traceability, document that categorizes the requirements identified in the Statement of Work and through subsequent conversations, as well as gaps that Infor believes are necessary for a successful implementation. To date, 91% of the requirements have been understood and accepted for configuration or implementation and the remaining 9% are gaps currently being discussed with the project team. This document will become the baseline for traceability to "source", "use case" and "test scenario", and will become the reference point to confirm that system meets the intended results during user acceptance testing.

On the technical side of the project, the Infor instance was provisioned and prepared for configuration and development activities. Teams pulled together current documentation and reviewed over 40 different interfaces that would be required for the project. Teams also began researching conversion options to move the data from the legacy systems to the new system.

## **NEXT STEPS**

Based on knowing industry best practices and understanding the County's as-is processes, Infor will be leading the County and Transit through to-be process mapping. Once the to-be processes are mapped out, Infor will begin initial configuration in the system. To make sure that the to-be state meets County expectations, Infor will lead Milwaukee County and Transit personnel through Conference Room Pilot sessions to finalize future state processes.

The Executive Steering Committee will be bringing recommendations for changes to County policies related to human resources and financial management to the County Board that will be necessary to fully realize the benefits of this major investment in software and to improve the efficiency of County processes.

Once processes and requirements are confirmed, technology teams will create detailed mappings of interfacing systems and begin interface development and data conversion scripts. System Integration testing will be done with core team stakeholders to confirm basic functionality is working.

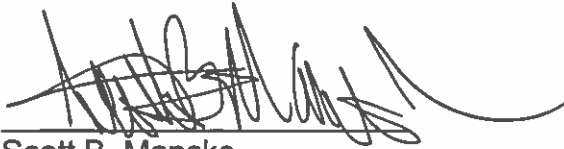
Project activities will then culminate with user acceptance testing as a final benchmark that the system has been successfully configured to meet project objectives and goals. End users training will then occur across the County prior to system rollout.

The same implementation processes described above will be repeated for future phases of the project including EPM budgeting, other Human Resources modules (payroll, employee space, manager space, workforce management, talent management, competency management, and transition), and Expense Management. The deployment dates for these phases will occur in 2020 with the exact date still under discussion.

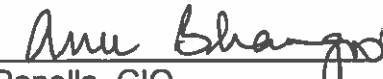
The overall Capital project cost is expected to be \$20 million. Costs include implementation of the Financial and HR suite of applications, development, integration, data conversion, decommissioning of legacy systems, contingency, and annual licenses as well as back-fill of County project personal and technology support services. To date, \$13 million has been allocated to the project team as part of WO602. The ESC will be asking for the remainder of the Capital funds to complete the project as part of the 2019 Capital budget request. If you have any questions or concerns, we would be happy to provide additional information.

## RECOMMENDATION

No action is necessary, this report may be received and placed on file.



Scott B. Manske  
Milwaukee County Comptroller

p.p. 

Laurie Panella, CIO  
Department of Administrative Services  
Information Mgmt. Services Division



Kerry Mitchell, Chief Human Resource Officer  
Department of Human Resources

cc: Chris Abele, County Executive  
Supervisor James Schmitt, Chairperson, Finance & Audit Committee  
Members, Finance & Audit Committee  
Kelly Bablitch, Chief of Staff, County Board  
Raisa Koltun, Chief of Staff, Office of the County Executive  
Scott Manske, Comptroller  
Teig Whaley-Smith, Director, DAS  
Joseph Lamers, Director, Planning, Strategy & Budget  
Stephen Cady, Research & Policy Director, Office of the Comptroller  
Michelle Nate, Deputy Comptroller  
Sue Drummond, Manager Payroll, Office of the Comptroller  
Rick Norris, Director, Community Business Development Partners, DAS  
Janelle Jensen, Legislative Services Division Manager, Office of the County Clerk  
Shanin Brown, Committee Coordinator, Office of the County Clerk  
Tod Huber, Chief Technology Officer, DAS-IMSD  
Chris Sacho, IT Manager – Data Center, DAS-IMSD  
LaCricia McSwain, Fiscal and Budget Manager, DAS Central Business Office  
Pamela Bryant, Capital Finance Manager, Comptroller's Office  
Justin Rodriguez, Budget and Management Coordinator, Comptroller's Office  
Vince Masterson, Capital Budget Coordinator, Performance, Strategy, and Budget  
Lacey Oldenburg, Director, Project Management Office, DAS –IMSD  
Mike Riffel, Project Manager, Plante Moran  
Colleen Bevins, Project Manager, Plante Moran